

NOTICE  
NO.

2 April 1952

SUBJECT: Additional Withholding of Tax From Salaries Upon Agreement  
by Employer and Employee

1. There is quoted below the text of Bureau of the Budget Circular No. A-26 dated 25 March 1952 on the above subject.

"The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, on March 7, 1952, prescribed regulations for the additional withholding of income tax, as authorized by law (Federal Register, March 8, 1952, 17 F. F. 2045).

"In order to utilize pay tables to the maximum extent possible and minimize separate computations in pay roll and audit work, it is requested that the following policy be adopted when additional withholding of tax is involved.

- (a) Except as provided in paragraph 2, the amount of tax presently withheld plus the additional amount requested to be withheld each pay period shall conform to one of the amounts shown in the tax withholding tables as set forth in Section 1622 of Title 26 of the United States Code. In other words, if an employee now has three exemptions, he may request that an amount be withheld equivalent to "2", "1" or "0" exemptions.
- (b) In those cases where withholding is requested in excess of the amount provided by the "0" exemption, such excess amount shall be \$5 or multiples thereof for employees paid on a bi-weekly or less frequent basis .....

2. Agency employees whose present tax deductions are insufficient to cover the taxes due the Government may increase the amount of tax withholding from their salary as provided above by executing a revised Form W-4 Employee's Withholding Exemption Certificate (copy attached) and forwarding same, through their Administrative Officer, to the appropriate Payroll Branch of the Finance or Fiscal Division. In those instances where the "0" exemption will not provide sufficient tax deduction, the employee should insert in Column II(c) of Form W-4, the notation "0 plus \$ 5.00 (or \$10.00, etc.)"

WALTER REID WOLF  
Deputy Director  
(Administration)